

LEGISLATURE OF THE STATE OF IDAHO
Sixty-first Legislature First Regular Session - 2011

IN THE SENATE

SENATE BILL NO. 1207

BY FINANCE COMMITTEE

AN ACT

RELATING TO FEDERAL EDUCATIONAL MAINTENANCE OF EFFORT REQUIREMENTS; STATING LEGISLATIVE INTENT TO MEET THE MAINTENANCE OF EFFORT REQUIREMENTS OF TITLE 14 OF THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; APPROPRIATING ADDITIONAL MONEYS TO PUBLIC SCHOOLS FOR FISCAL YEAR 2011 UNDER CERTAIN CIRCUMSTANCES; STATING LEGISLATIVE INTENT TO MEET THE MAINTENANCE OF EFFORT REQUIREMENTS OF TITLE 1 OF THE FEDERAL EDUCATION JOBS FUND PUBLIC LAW NO. 111-226 OF 2010; APPROPRIATING ADDITIONAL MONEYS TO THE STATE BOARD OF EDUCATION FOR PROFESSIONAL-TECHNICAL EDUCATION FOR FISCAL YEAR 2011 UNDER CERTAIN CONDITIONS; APPROPRIATING ADDITIONAL MONEYS TO THE STATE BOARD OF EDUCATION FOR COMMUNITY COLLEGES FOR FISCAL YEAR 2011 UNDER CERTAIN CONDITIONS; PROVIDING GENERAL FUND REAPPROPRIATION FOR FISCAL YEAR 2012; AND DECLARING AN EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. LEGISLATIVE INTENT TO MEET MAINTENANCE OF EFFORT REQUIREMENTS OF TITLE 14 OF THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009. Upon acceptance of money from the State Fiscal Stabilization Fund, Title 14 of ARRA, the state of Idaho made assurances to the federal government that the state would maintain the level of state support for public schools and higher education for fiscal years 2009, 2010 and 2011, at least at the level provided for in fiscal year 2006. Subsequently, the state guaranteed that if it could not meet this initial requirement, it would request a waiver of this provision. The waiver requires the state to ensure that the percentage of state revenues appropriated for public schools for fiscal year 2011 will not fall below the same percentage of state revenues for the same purpose as in fiscal year 2010. It is the finding of the Legislature that fiscal year 2011 state revenues are forecast to increase beyond the original appropriated level, therefore, a percentage of the excess revenues must be dedicated to public schools on or before June 30, 2011, in order to meet the maintenance of effort test:

(1) If the Division of Financial Management determines that an additional amount is required to meet the maintenance of effort waiver under Title 14 of ARRA, the administrator shall notify the State Controller of the minimum amount necessary to be provided to public schools for fiscal year 2011, in accordance with Section 2 of this act. If it is determined that as of June 30, 2011, the amount of available state support from the General Fund exceeds the amount originally reported as available for fiscal year 2011, to meet the terms of the waiver agreed upon to receive support under Title 14 of ARRA, then the Division of Financial Management shall first apply any amount calculated in this subsection to the Public School Discretionary Funding Variability provided for in Section 33-1018 (2), Idaho Code, and the deficiency identified in Section 33-1009 4., Idaho Code, payments from

1 the Public School Income Fund for fiscal year 2011, and any other variable
2 adjustments typically authorized under Chapter 10, Title 33, Idaho Code.

3 (2) Any remainder available to comply with the maintenance of effort re-
4 quirements shall be transferred to the Public School Income Fund for a spe-
5 cial distribution of discretionary moneys to school districts from the De-
6 partment of Education based on the number of fiscal year 2011 full-term sup-
7 port units.

8 SECTION 2. In addition to the appropriation made in Section 6, Chap-
9 ter 234, Laws of 2010, and upon passage and approval of this act, there is
10 hereby appropriated from the General Fund to be transferred to the Public
11 School Income Fund an amount necessary to maintain the percentage of state
12 revenues directed to public schools at a percentage level not less than fis-
13 cal year 2010. This transfer shall take place on or before June 30, 2011, and
14 be counted as a fiscal year 2011 expenditure.

15 SECTION 3. LEGISLATIVE INTENT TO MEET MAINTENANCE OF EFFORT REQUIRE-
16 MENTS OF TITLE 1 EDUCATION JOBS FUND, PUBLIC LAW NO. 111-226 OF 2010. Upon
17 acceptance of money from the Education Jobs Fund, Title 1 of Public Law No.
18 111-226, the state of Idaho made assurances to the federal government that
19 the state would maintain support for elementary and secondary education and
20 for public institutions of higher education to the level required by federal
21 law in fiscal year 2011. It is the finding of the Legislature that fiscal
22 year 2011 state revenues are not forecast to increase beyond the level re-
23 quired to trigger additional funding for public schools and higher educa-
24 tion. The state will need to collect in excess of \$31.5 million above the
25 General Fund forecast of \$2,350.3 million to be out of compliance with the
26 maintenance of effort required for the Education Jobs Fund:

27 (1) In the event that revenues do exceed the forecast to the extent that
28 the Division of Financial Management determines that additional maintenance
29 of effort is required under Title 1 of the Education Jobs Fund, the admin-
30 istrator shall notify the State Controller of the minimum amount necessary
31 to be provided first to Professional-Technical Education for Postsecondary
32 Programs to meet the maintenance of effort requirements to receive federal
33 Carl D. Perkins funding in fiscal year 2011 in accordance with Section 4 of
34 this act.

35 (2) Any remainder of the amount needed to comply with the maintenance
36 of effort requirements shall be provided to the State Board of Education for
37 Community Colleges for fiscal year 2011 unfunded enrollment growth, in ac-
38 cordance with Section 5 of this act.

39 SECTION 4. In addition to the appropriation made in Section 3, Chapter
40 339, Laws of 2010, and upon passage and approval of this act, there is hereby
41 appropriated to the State Board of Education for Postsecondary Programs in
42 Professional-Technical Education from the General Fund an amount necessary
43 to comply with the maintenance of effort requirements under Title 1 of the
44 Education Jobs Fund. These funds shall be available on or before June 30,
45 2011.

1 SECTION 5. In addition to the appropriation made in Section 2, Chapter
2 232, Laws of 2010, and upon passage and approval of this act, there is hereby
3 appropriated to the State Board of Education for Community Colleges from the
4 General Fund an amount necessary to comply with the maintenance of effort re-
5 quirements under Title 1 of the Education Jobs Fund. These funds shall be
6 available on or before June 30, 2011.

7 SECTION 6. GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby
8 reappropriated to the State Board of Education, the unexpended and unencum-
9 bered balance of General Fund moneys as appropriated in Sections 4 and 5 of
10 this act for fiscal year 2011, for the period July 1, 2011, through June 30,
11 2012.

12 SECTION 7. An emergency existing therefor, which emergency is hereby
13 declared to exist, this act shall be in full force and effect on and after its
14 passage and approval.